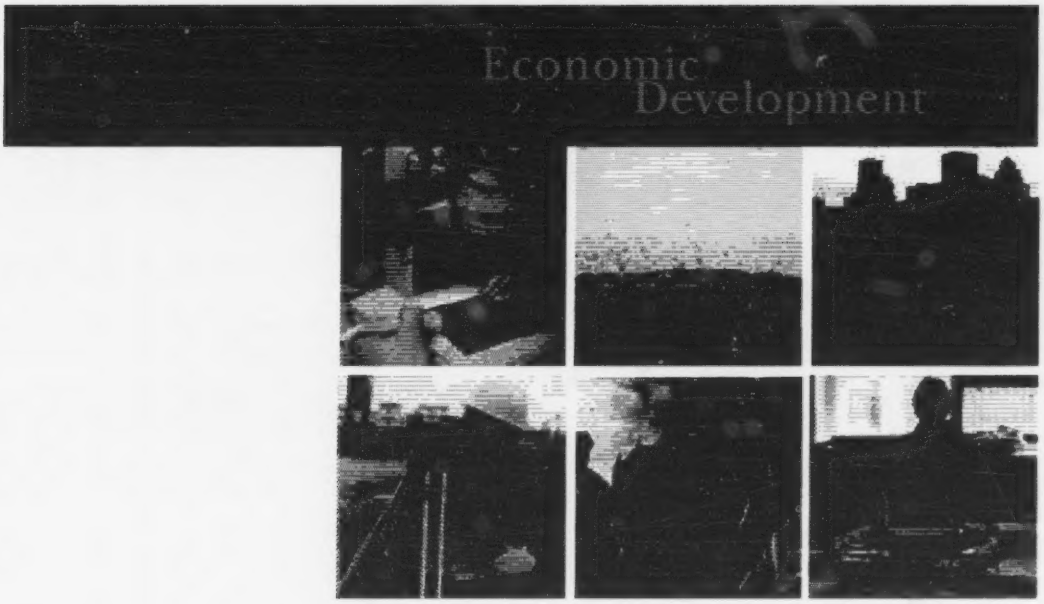

REPORT ON PLANS AND PRIORITIES 2012-13

Estimates

Denis Lebel

Minister of Transport, Infrastructure and Communities and
Minister of the Economic Development Agency of Canada
for the Regions of Quebec

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MINISTER'S MESSAGE

I am pleased to submit the *Report on Plans and Priorities 2012-13* of the Economic Development Agency of Canada for the Regions of Quebec.

Over the past few years, the Government of Canada has created conditions conducive to economic growth and job creation by completing the implementation of *Canada's Economic Action Plan* (CEAP).

This year once again, the government's priority remains the economy, so we will continue to focus on economic growth while working to re-establish a balanced budget.

That is the background against which the Economic Development Agency of Canada for the Regions of Quebec has targeted its priorities for action for 2012-13: to nurture Quebec's economic growth by intensifying support for business development and continuing support for regional economic development; and to continue strengthening community economies.

In that regard, the Agency will continue to support Quebec's small and medium-sized enterprises, communities and regions by focussing on entrepreneurship, innovation and technology transfer, productivity, commercialization and exports, and mobilization of development agents around challenges specific to their communities. It will also continue to provide substantial support for the diversification of communities affected by the forestry crisis by completing implementation of the *Temporary Initiative for the Strengthening of Quebec's Forest Economies*.

Over the coming year, the Agency will continue to roll out its transformation and modernization initiative in order to become more efficient and provide enhanced service to the public. In particular, it has updated its regional economic development vision and drawn up the *Quebec Economic Development Program* to meet the challenges of Quebec's regions and enterprises.

The dynamism and vitality of regional economies are central to the Agency's mandate. I invite you to read through this report, which presents the Agency's priorities and expected results in 2012-13 in order to contribute to the development of Quebec's communities.

Denis Lebel
Minister of Transport, Infrastructure and Communities
and Minister of the Economic Development Agency of
Canada for the Regions of Quebec

1 AGENCY OVERVIEW

1.1 Raison d'être

Object

Under its Act,[1] which came into effect on October 5, 2005, the object of the Agency is to promote the long-term economic development of the regions of Quebec.

Vision

Quebec regions and enterprises participate to their full potential in the economy of tomorrow, building on their assets.

1.2 Responsibilities

Pursuant to its mandate, the Agency fosters the startup and growth of small and medium-sized enterprises (SMEs) and asset-operating non-profit organizations (NPOs). It helps them become more competitive, innovative and productive. It also contributes to the dynamism of all Quebec regions, paying special attention to communities posting slow economic growth.

Through its business offices and advisors, the Agency's presence is well-rooted in all Quebec regions. It acts in relation to enterprises—predominantly SMEs—and NPOs. The Agency supports SMEs and NPOs in their development projects primarily by providing financial assistance for project implementation.

The Agency's approach is inspired by the best practices identified with respect to regional economic development. It is:

- **consistent** with government priorities and national strategies in line with its object and anticipated results;
- **geared** to the economic issues and challenges of enterprises and the different regions of Quebec by building on their assets and potential;
- **collaborative** with economic agents, such as local partners, other federal departments and agencies, the Quebec government and municipal organizations.

[1] *Economic Development Agency of Canada for the Regions of Quebec Act*

In 2010, the Agency conducted a strategic review, engaging in an exhaustive, rigorous, future-oriented exercise. It took that opportunity to update its regional economic development vision and ensure greater consistency with government priorities, while continuing to meet the challenges of Quebec's regions and enterprises. The Agency has since embarked upon a path of transformation, by simplifying in particular its Program Activity Architecture (PAA) and its performance measurement, and reducing the number of its programs. Henceforth it has a single regular program, the *Quebec Economic Development Program*,[2] which came into effect on April 1, 2012.

In additional to its regular program, the Agency contributes to the design and implementation of Canada-wide programs and targeted ad-hoc initiatives.

Agency programs and initiatives, 2012-13

Regular program:

- *Quebec Economic Development Program*

Canada-wide programs implemented in Quebec by the Agency:

- *Community Futures Program*
- *North American Platform Program*

Infrastructure Canada delivery partner:

- *Building Canada Fund–Quebec*
- *Municipal Rural Infrastructure Fund*
- *Canada Strategic Infrastructure Fund*

Ad-hoc initiatives:

- *Linguistic Duality Economic Development Initiative*
- *Temporary Initiative for the Strengthening of Quebec's Forest Economies*
- *Support Initiative for International Cruise Development Along the St. Lawrence and Saguenay Rivers*
- *Contribution Program to Fund Construction of a Gas Pipeline Between Vallée-Jonction and Thetford Mines*

[2] *Quebec Economic Development Program*

1.3 Strategic outcome and Program Activity Architecture (PAA)

To fulfil its mandate, the Agency aims to attain one strategic outcome: *Quebec's regions have a growing economy.* The following table presents the Agency's new PAA and shows the full framework of program activities and subactivities, as well as their contribution to the strategic outcome. The PAA was revised since the last *Report on Plans and Priorities* (RPP) so as to illustrate the simplified approach preferred by the Agency toward economic development. It has been in effect since April 1, 2012.

Strategic outcome	Program activity	Program subactivity
Quebec's regions have a growing economy.	1.1 *Business development*	1.1.1 *Entrepreneurship support* 1.1.2 *Business performance*
	1.2 *Regional economic development*	1.2.1 *Regional engagement* 1.2.2 *Regional investment*
	1.3 *Strengthening community economies*	1.3.1 *Community Futures Program* 1.3.2 *Infrastructure modernization* 1.3.3 *Targeted and temporary support* (As required, dedicated funding only)
	1.4 *Internal services*	

This *Report* sets out the plans and priorities in line with these components. Further information on the Agency's strategic outcome is presented in Section 2.

1.4 Corporate priorities

Priorities represent the areas on which the Agency has decided to focus. They are established on the basis of Government of Canada priorities, departmental targeted results and the regions' socio-economic challenges.

The Agency has selected four priorities for 2012-13. These are in line with the priorities presented in the *Report on Plans and Priorities 2011-12*, since the regions' and SMEs' challenges are as current as ever. The Agency's overall actions are covered in Section 2, which presents total spending and planned results by program activity.

Over the next few years, Quebec's regions, communities and enterprises will have to contend with a demanding context associated primarily with the consequences of globalization and stronger competition, particularly from emerging countries. Also, the shrinking labour force, largely linked to the aging population, will affect Quebec enterprises. In that context, it is essential for the Agency to continue supporting Quebec's enterprises—primarily SMEs and asset-operating NPOs—communities and regions.

Priority 1:

Support Quebec's economic growth by intensifying support for enterprise development

Type

Priority previously committed to during FY 2011-12 (Revised wording)

Link to program activities

1.1 *Business development*

Description

Why is this a priority?
Enterprises are one of the pillars of economic development. They are a significant source of wealth creation and productive employment.

Plan for meeting the priority
Support economic growth by intensifying support for the development of enterprises—primarily SMEs and asset-operating NPOs—through:

- entrepreneurship
- innovation and technology transfer
- productivity
- commercialization and exports

To fulfil its economic development mandate, the Agency intends to support projects that foster the development of SMEs and asset-operating NPOs. Thus, to help enterprises operate in a highly competitive global market, in the uncertain economic context of the coming year, the Agency will focus on:

- **entrepreneurship**
  The Agency will support entrepreneurship, in particular for the development of SMEs deemed promising, with high growth potential and strategic for their regions' development, so as thus to renew the pool of SMEs in Quebec.

- **innovation and technology transfer**
  The Agency will support projects likely to enhance SMEs' performance with respect to commercial promotion of technology and innovation, thus contributing to enhancing their competitiveness.

- **productivity**
  The Agency will support projects from SMEs and asset-operating NPOs in the areas of production management, procurement and distribution logistics, thus contributing to enhancing their productivity and performance.

- **commercialization and exports**
  The Agency will support projects likely to enhance enterprises' capability to carry through their commercialization and export efforts. To that end, it will help them identify and develop new markets, commercialize their products and services more effectively on the international front and develop profitable business relationships and partnerships, thus contributing to enhancing their global competitiveness.

Priority 2:

Support Quebec's economic growth by continuing support for the regions' economic development

Type

New priority

Link to program activities

1.2 *Regional economic development*

Description

Why is this a priority?
Regions generate wealth, and their participation in the economy is essential to ensure Quebec's economic growth.

Plan for meeting the priority
Support economic growth by continuing support for regional economic development through:
- Regional engagement

Local communities' accountability and responsibility for their economic development is a success factor conducive to the establishment of growth-generating projects. To fulfil its economic development mandate, the Agency intends to support projects that encourage local communities to take charge of their economic development.

- **Regional engagement**
  The Agency will support projects involving economic development strategies targeting the mobilization of development agents around issues specific to their communities, such as the drawing up of development and diversification plans.

Priority 3:

Continue strengthening community economies

Type

Priority previously committed to during FY 2011-12 (Revised wording)

Link to program activities

1.3 *Strengthening community economies*

Description

Why is this a priority?
Ad-hoc support for the economic activity of Quebec communities especially hard hit by an economic shock is required in order to stabilize or strengthen their economies.

Plan for meeting the priority
Continue strengthening community economies by:
- completing implementation of the TISQFE in communities affected by the forestry crisis

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In order to keep on fulfilling its mandate, the Agency intends to continue its support for projects that contribute to strengthening community economies in order to increase the growth of the Quebec economy. The Agency will support the economic activity of Quebec communities sustaining an economic shock, which have major economic development challenges or growth-generating opportunities to be grasped. In that regard, the Agency will complete implementation of the TISQFE in communities affected by the forestry crisis.

Temporary Initiative for the Strengthening of Quebec's Forest Economies
In 2012-13, the Agency will continue to support projects that will help strengthen and increase economic activity in areas affect by the forestry crisis so as to create and maintain employment there, and to pay special attention to SMEs established in affected communities so as to enhance their performance. The TISQFE will terminate on March 31, 2013.

The following priority aims to foster certain business practices in order to ensure sound management of public funds and better reporting of the Agency's results.

Priority 4:

Continue implementation of the transformation and modernization initiative at the Agency

Type

Priority previously committed to during FY 2011-12 (Revised wording)

Link to program activities

All

Description

Why is this a priority?
In line with Government of Canada priorities, the Agency will continue the transformation in its procedures so as to be more efficient and offer enhanced service to the public, by adopting practices that make greater use of technology.

Plan for meeting the priority
Continue implementation of the transformation and modernization initiative by:
- implementing its new program in line with the Agency's new vision
- continuing to provide an enhanced, more accessible, more modern service offering
- putting in place a more modern, stimulating, efficient work environment, while managing change

Since spring 2010, when work began on program renewal and the Strategic Review, the Agency has undertaken a transformation and modernization exercise built on Government of Canada priorities. This transformation will enable the Agency to be more efficient and provide the public with enhanced service, by adopting practices building more on technology.

The Agency thus intends to develop and implement several transformation and modernization activities over the next few years. In that regard:

- it has updated its vision concerning regional economic development in Quebec and, among other things, created a Strategic Framework and renewed its PAA, notably facilitating the communication of the Agency's actions and reporting. The Agency has also revised its regular programs. So, the new *Quebec Economic Development Program* has been in effect since April 1, 2012;
- it will continue its activities with respect to integrated management of operational risk through a series of initiatives, including an operational risk policy and a roadmap of risks associated with mitigation measures, adapted to risk tolerance. In this way, the Agency will be able to simplify its project analysis and monitoring processes in order to increase employee efficiency and provide clients with enhanced services. Management of files adapted with respect to risk will help keep down file processing times and paperwork;
- it will review its procedures and work tools and migrate toward electronic tools featuring higher performance. For instance, the Agency recently acquired a telepresence system which reduces its environmental footprint and generate savings through reduced travel for meetings and training;
- alongside its process of modernization and simplification, the Agency will continue its participation in government initiatives associated with internal services. For instance, it is an active participant in the work of the Common Human Resources Business Process Team initiative, which will enable it, among other things, to improve its practices and facilitate the medium-term implementation of an integrated human resources management software package.

1.5 Analysis of risks

In its desire to attain its results, the Agency has to have an overview of the changing factors that have a marked impact on its environment and to integrate these factors into its decision-making processes so as to respond more effectively to the new needs of Quebec enterprises—primarily SMEs and asset-operating NPOs—communities and regions.

The Agency's corporate risks are determined through a rigorous approach involving all branches along with senior management. It was in a perspective of evolving internal and external factors that the Agency drew up the profile of its main corporate risks representing the risk sectors most likely to hamper the attainment of anticipated results and affect the Agency's performance in terms of efficiency and effectiveness of management practices. The mitigation strategies identified will be implemented and monitored to ensure that the impact of risks is reduced.

Key corporate risks	Mitigation strategies
Management of change in a context of transformation of the Public Service Risk that the planned implementation of the Agency's pillars for modernization and change management may be affected.	▪ Conduct ongoing watch of government transformation initiatives and influence the decision-making process through active participation (e.g., pilot projects) ▪ Plan and adapt the transformation of the Agency and routine activities in an integrated manner ▪ Implement an internal and external communications plan with respect to the transformation
Human resources management Risk that the Agency may not have sufficient capacity to attain its results and maintain compliance with all reporting requirements.	▪ Revise and implement the integrated human resources plan ▪ Develop and implement an employee engagement strategy ▪ Continue discussions with labour unions
Information management Risk that the Agency may not have reliable, relevant information on a timely basis to support its decision-making, reporting and transformation needs.	▪ Ensure systematic, consistent documentation of decision-making ▪ Implement an information management strategy for the transition to electronic document management
Economic risk and institutional capacity Risk that the pursuit of priorities and results expected from the Agency's economic development programs may be affected (negatively or positively) by the economic context.	▪ Adapt priorities, policy statements, guidelines, intervention tools and key messages by conducting ongoing watch and analysis of the economic context and government priorities ▪ Implement the operational risk policy within the framework of grants and contributions management ▪ Implement the communications strategy for the Agency's priorities, program and approach

Under the transformation and modernization initiative, the Agency is required to implement several innovative initiatives simultaneously in order to be more efficient and provide citizens with enhanced service. The Agency is thus embarking on a period of adjustment of its practices, in a context of increasingly limited resources. Consequently, the integration of risk management in departmental planning will be more important than ever.

1.6 Planning summary

This section presents planned financial resources (grants and contributions, and operating costs) and human resources (expressed as a full-time equivalent – FTE), along with a summary chart portraying Agency planning for the next three fiscal years. The planned financial resources in 2012-13 presented in this Report correspond to the data presented in the Main Estimates 2012-13. Further information is provided in Section 2.

Financial and human resources

Financial resources *(in thousands of dollars)*			Human resources *(Full-time equivalent – FTE)*		
2012-13	**2013-14**	**2014-15**	**2012-13**	**2013-14**	**2014-15**
300,751	*228,208*	*224,871*	*359*	*333*	*325*

The decrease in financial resources and human resources between 2012-13 and 2014-15 stems from the termination of funding for several temporary initiatives, including the *Temporary Initiative for the Strengthening of Quebec's Forest Economies*, the *Linguistic Duality Economic Development Initiative*, the *Support Initiative for International Cruise Development Along the St. Lawrence and Saguenay Rivers*, the *Program to Fund Construction of a Gas Pipeline Between Vallée-Jonction and Thetford Mines* and the *Montreal Planetarium project*.

Other factors also explain the variation in financial and human resources over the next few years, among them the implementation of the 2010 Strategic Review, application of decisions within the framework of the administrative services review and the absorption of salary increases provided for in the collective agreements in view of the operating budget freeze announced in the 2010 Budget.

Note that the data presented in the tables are forecasts based on the information available when this *Report* was drafted. The renewal or addition of initiatives could therefore lead to variations in the amount and number of resources allocated.

Human resources planning

As mentioned earlier, the Agency will in the next few years have several challenges to meet, to which is added the implementation of the transformation process at the Agency.

The implementation of transformation initiatives is an opportunity for the Agency to rethink its workplace, simplify its processes, procedures and tools, and enhance its client services. Also, having targeted workforce management as one of its four Departmental risks, the Agency will be implementing its integrated human resources plan as well as a strategy geared to accompanying and equipping its employees so as to engage them during this time of change.

The Agency will also implement its action plan in order to follow up on the findings of the *2011 Public Service Employee Survey*. The Agency will continue to support its employees in their professional development in order to maintain a high level of competency and facilitate the necessary adjustment to change. Values and ethics will continue to be the foundation of a workplace fostering employees' enhanced well-being.

PLANNING SUMMARY TABLE[3]

Strategic outcome: *Quebec's regions have a growing economy.*

Performance indicator	Five-year target (from 2012-13 to 2017-18)
▪Number of Quebec administrative regions having increased their gross domestic product	17
▪Percentage of Quebec regional county municipalities and equivalent territories having improved their economic performance	65%

Program activity	Forecast spending 2011-12 (in thousands of dollars)	Planned spending (in thousands of dollars)			Alignment to Government of Canada outcomes[4]
		2012-13[5]	2013-14	2014-15	
Business development	*157,438*	*147,706*	*138,822*	*139,264*	Strong economic growth
Regional economic development	*29,947*	*37,027*	*34,806*	*34,916*	Strong economic growth
Strengthening community economies	*92,376*	*96,918*	*35,824*	*31,935*	Strong economic growth
Total planned spending		***281,651***	***209,452***	***206,115***	-
Internal services	*21,079*	*19,100*	*18,756*	*18,756*	-
Total planned spending		***19,100***	***18,756***	***18,756***	-

The decrease in planned spending is primarily observable between 2012-13 and 2013-14 under the *Strengthening community economies* program activity, and is attributable to the termination of several temporary initiatives.

[3] This chart includes grants and contributions expenditures and operating expenditures. *Internal services* include only operating expenditures.

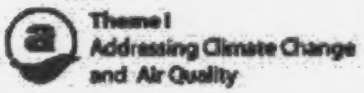
[4] *Whole-of-government framework*

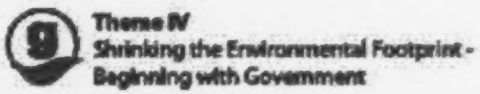
[5] Planned spending in 2012-13 includes an upward adjustment owing to the reinvestment of revenues from contribution repayments by clients. The fact that this same adjustment is not included in planned spending for 2013-14 and 2014-15 partially explains the variations in planned spending.

Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy (FSDS) describes the undertaking made by the Government of Canada to increasing the transparency of environmental decision-making by stating its main environmental goals and targets. The Agency works to ensure that the review of these results is an integral part of its decision-making processes. In particular, within the context of the *Strategic Environmental Assessment* (SEA), any new policy and any new plan or program includes an analysis of its impact on the attainment of FSDS goals and targets. The findings of the SEA are made public when an initiative is announced, thus illustrating the Agency's commitment to attaining the SEA goals and targets.

The Agency contributes to Theme 1 – *Addressing Climate Change and Air Quality* and Theme 4 – *Shrinking the Environmental Footprint – Beginning with Government*, as indicated by the visual identifiers below.





These contributions are components of the following program activities and are explained in further detail in Section 2:

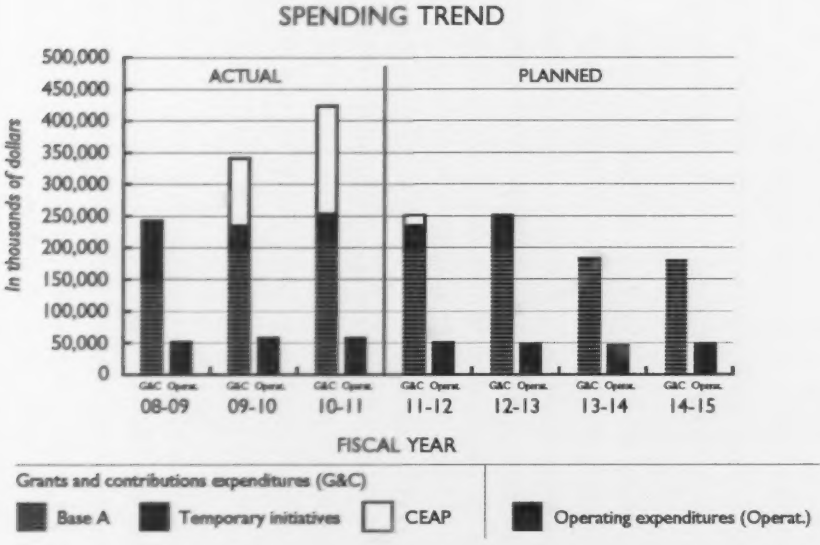
- Program activity 1.1: *Business development*
- Program activity 1.4: *Internal services*

Further information on Agency activities in support of sustainable development is available in Section 2 of this *Report*, and in the *Environmental affairs* section of the Agency's Website.

Additional information on the FSDS is also available in the *Sustainable Development* section of the Environment Canada Website.

1.7 Expenditure profile

Departmental spending trends



Over the past three years, *Canada's Economic Action Plan* (CEAP) has had an impact on spending trends, particularly in 2009-10 and 2010-11. As scheduled, CEAP terminated on March 31, 2011, except for the *Recreational Infrastructure Canada Program*, which ended on October 31, 2011. So from 2012-13 onward, the Agency will revert to its regular budget base.

But the Agency anticipates a decrease in its spending from 2012-13 to 2014-15, owing primarily to the termination of funding for temporary initiatives and the end of large-scale projects in the next few years, as listed in Section 1.6. In fact, planned spending will fall from $300.7 million in 2012-13 to $224.9 million in 2014-15.

1.8 Estimates by vote

Information on the Agency's appropriations is available in the *Main Estimates 2012-13* section of the Treasury Board Secretariat Website.

2 ANALYSIS OF PROGRAM ACTIVITIES FOR THE STRATEGIC OUTCOME

This section provides information on the Agency's strategic outcome and program activities. For each program activity, a description is presented, along with planning highlights.

2.1 Strategic outcome: *Quebec's regions have a growing economy*

The Agency's strategic outcome reflects the Agency's mandate to promote the long-term economic development of the regions of Quebec.

The Government of Canada has undertaken to foster the prosperity of all regions. It intends to stimulate growth through new investment in enterprises, innovation and knowledge transfer, trade, modernization of infrastructure, development of clean energy, and more besides. By virtue of its mandate, the Agency is central to the government's major priorities. Also, the Agency's strategic outcome contributes to strong economic growth, one of the Government of Canada's targeted results.

Challenges associated with the strategic outcome

In order to respond to the structural challenges of the Quebec economy and support long-term growth, the Agency's intervention priorities must contribute to the sustainable renewal of Quebec's regional economies.

Development of enterprises' competitive capability and enhancement of their productivity will enable them in particular to confront the ongoing globalization and the impact of future demographic challenges, while being conducive to Quebec's prosperity.

In order to support economic growth in certain single-industry communities and foster a renewal of industrial structures based on regional strengths and assets, it is also appropriate to target economic diversification.

Development of a knowledge-based economy building on specialized competencies is also an opportunity for economic intervention if Quebec is to retain a competitive edge over emerging countries. Globalization will require a growing skilled labour force, and mass retirements will soon be causing a breach between needs and available skills on Quebec's labour market. The need to replace the wave of entrepreneurs who will shortly be retiring is also more urgent than ever.

Also with a goal to confronting global competition more effectively and in order to enable production to adapt more rapidly to evolving market needs, it is essential that Quebec enterprises be offered an economic environment conducive to innovation and commercialization.

Performance measurement strategy

The Agency's performance measurement strategy is based on the systematic observation of outcome indicators identified in its performance measurement framework. These indicators will be used to conduct ongoing measurement of targeted outcomes and provide material for the Agency's strategic decision-making during 2012-13. Among the indicators that will be tracked are both output indicators and outcome indicators.

Owing to their nature, anticipated outcomes will occur within a variable timeframe. Most will not be observable in the year in which disbursement is made. For instance, it is often only after two years that the expected increase in sales of an SME receiving Agency support for funding a commercialization strategy materializes. That is why the Agency's performance measurement strategy is spread over a five-year horizon and why the yearly performance measurement reports will, in the initial years, be limited to outputs and intermediate outcomes.

For its strategic outcome and each of its program activities, the Agency has established results targets. But economic development largely depends, on the one hand, on SMEs and local and regional stakeholders which design and execute the projects the Agency supports and, on the other hand, on the strength of the economy. The business opportunities arising from it will influence the quantity, scale, timetable and success rate of the projects the Agency supports.

2.2 Program activity: *Business development*

Description of program activity

This program activity (PA) is intended to support the development of SMEs and asset-operating NPOs throughout their life-cycle in order to increase Quebec's economic growth. Enterprises are recognized for generating a large share of economic activity and creating jobs. The Agency thus contributes to renewal of the pool of enterprises in Quebec by supporting the emergence of new SMEs and business succession. It also contributes to increasing the competitiveness of existing enterprises and ensuring their survival by enhancing their performance through the development of their production, innovation, commercialization and export capability. The Agency's intervention in this PA is carried out primarily in relation to enterprises, in particular SMEs, or through organizations in support of enterprises and entrepreneurs. The Agency fosters the development of SMEs and asset-operating NPOs through the *Quebec Economic Development Program* grants and contributions program.

Human resources (FTE) and planned spending *(in thousands of dollars)*

2012-13		2013-14		2014-15	
FTE	Planned spending	FTE	Planned spending	FTE	Planned spending
158	*147,706*[6]	152	*138,822*	149	*139,264*

[6] Planned spending in 2012-13 includes an upward adjustment owing to the reinvestment of revenues from contribution repayments by clients. The fact that this same adjustment is not included in planned spending for 2013-14 and 2014-15 partially explains the variations in planned spending.

Program activity expected results	Performance indicators	Annual targets 2012-13[7]
The pool of enterprises in Quebec is renewed: ▪ *Enterprises are started up or transferred*	Number of projects funded in order to support entrepreneurship	40
	Total value of grants and contributions (G&C) allocated	$16M
	Number of enterprises started up	100
Quebec enterprises are competitive: ▪ *Enterprises improve their performance*	Number of projects funded	260
	Total value of G&C allocated	$111M
	Percentage of enterprises supported having maintained or increased their sales	53%
	Percentage of enterprises supported having maintained or increased their self-generated revenue	53%

Planning highlights

Enterprises currently have to meet various challenges to ensure their survival and prosperity. They have to contend with a demographic decline which has an impact on business succession and availability of labour. They also have to deal with a Canadian dollar that remains strong, in a context of global competition. Some enterprises thus have to continue adjusting to challenges, including enhancement of productivity, diversification of export markets and commercialization of innovation.

In this context, the Agency intends to support enterprises, particularly SMEs and asset-operating NPOs, with a view to contributing to increasing the dynamism of Quebec's economy. The Agency's intervention with respect to *Enterprise development* is in line with the *Support Quebec's economic growth by intensifying support for enterprise development* priority. In order to pursue this priority, the Agency intends in particular to support entrepreneurship as well as SMEs and asset-operating NPOs in their innovation, technology transfer, productivity, commercialization and export activities.

▪ Entrepreneurship support

Quebec has a lower proportion of entrepreneurs compared with the Rest of Canada, and a greater decline in entrepreneurship is anticipated owing in part to the fact that the aging population is proportionately greater in Quebec. Thus, over the next year, the Agency will encourage entrepreneurship, foster SME startups and contribute to SMEs' sustainability by supporting succession planning.

[7] Expected results targets are established in line with the context of the Agency's intervention and its priorities, departmental risks, and resources, among other things. They are determined on the basis of historical data from implementation of the performance management strategy for Agency intervention, as presented in Section 2.1.

- **Business performance**
  Enterprises wishing to continue their development and ensure their survival have to innovate and convert their ideas into business opportunities, enhance their productivity and penetrate new markets. The Agency thus intends to support investment by enterprises, primarily SMEs, in optimizing their production and increasing their effort with respect to innovation, technology transfer, commercialization and exports. The Agency also intends to assist business support organizations in the structuring of business networks, and to foster the largest number of industrial and regional spinoffs in the wake of agreements with major prime contractors.
- **Agency's contribution to the Federal Sustainable Development Strategy**
  Within the context of its contribution to Theme 1 of the FSDS – *Addressing Climate Change and Air Quality*, the Agency intends to fund projects aimed at the development of SMEs which could, among other things, help to optimize resource use, enhance residual resources and contribute to eco-efficiency.

2.3 Program activity: *Regional economic development*

Description of program activity

This program activity is intended to support the economic development of the different regions in order to increase Quebec's economic growth. Quebec regions are not homogeneous, and present a variety of contexts, with their own issues, challenges and assets. The regions are wealth creators, and their participation in the economy is essential in ensuring Quebec's economic growth. The Agency thus nurtures the development of their economic base by supporting local stakeholders as they take charge of their economic development and by stimulating investment in all regions of Quebec. The Agency's intervention in this program activity is carried out primarily in relation to organizations or enterprises. The Agency supports the development of the regions through the *Quebec Economic Development Program* grants and contributions program.

Human resources (FTE) and planned spending *(in thousands of dollars)*

2012-13		2013-14		2014-15	
FTE	Planned spending[8]	FTE	Planned spending	FTE	Planned spending
39	*37,027*	38	*34,806*	37	*34,916*

[8] Planned spending in 2012-13 includes an upward adjustment owing to the reinvestment of revenues from contribution repayments by clients. The fact that this same adjustment is not included in planned spending for 2013-14 and 2014-15 partially explains the variations in planned spending.

Program activity expected results	Performance indicators	Annual targets 2012-13[9]
Quebec regions have a stronger economic base:		
▪ *Communities take charge of their economic development*	Number of projects funded with a view to mobilizing regions	20
	Total value of G&C allocated	$5M
	Percentage of communities supported which implement mobilization projects	50%
▪ *Quebec's regions attract investment*	Number of projects funded	20
	Total value of G&C allocated	$27M
	Percentage of communities supported which implement community economic facility projects	75%

Planning highlights

This program activity is intended to foster a climate and conditions conducive to the development of Quebec regions' competitive advantages and development of their assets. Its relevance lies in the current context of short-term economic uncertainty and the need to meet the challenges associated with long-term regional growth.

The Agency's intervention with regard to the economic development of the regions, and in particular the mobilization of regions, is associated with the *Support Quebec's economic growth by continuing support for regional economic development* priority.

- **Regional engagement**
  Local accountability with regard to local economic development is a success factor in eliciting the establishment of growth-generating projects. The Agency will thus support the diversification of Quebec communities by supporting mobilization of and joint action by various stakeholders, planning of their economic development, solicitation, pursuit of funding and implementation of structuring, recovery or diversification initiatives.

[9] Expected results targets are established in line with the context of the Agency's intervention and its priorities, departmental risks, and resources, among other things. They are determined on the basis of historical data from implementation of the performance management strategy for Agency intervention, as presented in Section 2.1.

- **Regional investment**
  Quebec's regions have to stand out in order to attract the investment necessary for their economic growth. Over the next few years, the Agency intends to help consolidate Quebec regions' economic base by supporting them in their efforts to acquire community facilities in order to harness their assets more effectively, so as to stimulate business and generate community economic spinoffs. The Agency also intends to support the promotion of regional assets with a view to generating economic activity in the regions of Quebec.

2.4 Program activity: *Strengthening community economies*

Description of program activity

In addition to its regular program, the Agency is required to design, administer and implement Canada-wide programs or targeted ad-hoc initiatives that contribute to strengthening community economies so as to increase Quebec's economic growth. It thus supports the economic development of rural communities and ensures the sound, effective management of infrastructure programs for Quebec. It also nurtures economic activity in Quebec communities undergoing economic shocks, faced with significant economic development challenges or having growth-generating opportunities to grasp. This program activity (PA) is aimed at enterprises and organizations. The Agency intervenes in this PA through dedicated temporary additional funding from the Government of Canada, specific funds allocated by the Agency or the *Community Futures Program* (CFP).

Human resources (FTE) and planned spending *(in thousands of dollars)*

2012-13		2013-14		2014-15	
FTE	Planned spending[10]	FTE	Planned spending	FTE	Planned spending
41	*96,918*	*26*	*35,824*	*25*	*31,935*

The drop in the Agency's planned spending from 2012-13 to 2013-14 is attributable to the gradual decline in funding allocated under temporary initiatives.

[10] Planned spending in 2012-13 includes an upward adjustment owing to the reinvestment of revenues from contribution repayments by clients. The fact that this same adjustment is not included in planned spending for 2013-14 and 2014-15 partially explains the variations in planned spending.

Program activity expected results Quebec communities have stronger economies:	Performance indicators	Annual targets 2012-13[11]
▪ *Communities are economically sustainable*	Number of projects funded by regional development organizations (Community Futures Development Corporations [CFDCs] and Business Development Centres [BDCs])	1,500
	Total value of G&C allocated by regional development organizations (CFDCs and BDCs)	$29M
	Number of economic development initiatives implemented in communities following support from CFDCs	260
	Percentage of entrepreneurs undertaking pre-startup, startup or acquisition of an SME with support from regional development organizations (CFDCs and BDCs)	49%
	Percentage of enterprises carrying out their recovery, expansion or modernization project with support from regional development organizations (CFDCs and BDCs)	83%
▪ *Quebec communities have upgraded public infrastructure*	Number of projects funded or administered by the Agency	140
	Number of communities with public infrastructure completed according to the contribution terms	118
▪ *Communities have ad-hoc support available for stabilizing or strengthening their economies*	Number of projects funded, by initiative	TISQFE: 85 EDI: 16 Cruises: 18 Ad-hoc projects:[12] 2
	Total value of G&C allocated, by initiative	TISQFE: $22.5M EDI: $3.3M Cruises: $19M Ad-hoc projects: $18.5M
	Percentage of communities supported, by initiative	TISQFE: 100% EDI: 30% Cruises: 100% Ad-hoc projects: 100%

[11] Expected results targets are established in line with the context of the Agency's intervention and its priorities, departmental risks, and resources, among other things. They are determined on the basis of historical data from implementation of the performance management strategy for Agency intervention, as presented in Section 2.1.

[12] Ad-hoc projects scheduled in 2012-13 are the Gas Pipeline Between Vallée-Jonction and Thetford Mines, and the Montreal Planetarium.

Planning highlights

This program activity supports communities' economic development and strengthens their ability to take charge of their own development and achieve their full potential. In a context of fragile economic growth, the Agency intends to pursue implementation of various programs and initiatives to help communities strengthen their economies.

- **Community Futures Program**
  Owing to their economic performance that is generally below the Quebec average and to tighter credit conditions, rural communities present the need to strengthen their economies. Through the *Community Futures Program* (CFP), the Agency intends in particular to continue its support for rural communities' adjustment to the demanding economic context. This Canada-wide program will foster access to capital, the offering of consulting services and support for local projects as well as the planning and socio-economic development of rural communities. The Agency delivers the CFP in Quebec through such regional development organizations as CFDCs and BDCs, by means of contribution agreements.

- **Infrastructure modernization**
  Quality public infrastructure is recognized as a factor in economic development. Thus, over the next year, the Agency will continue to act as Infrastructure Canada's delivery partner for the management in Quebec of their different programs, including the *Building Canada Fund* (*Communities* component and *Large Urban Centres* component), the *Municipal Rural Infrastructure Fund* and large-scale *Canada Strategic Infrastructure Fund* projects. These programs are the subject of agreements between Infrastructure Canada and the Quebec government, and are aimed primarily at municipalities. Planning highlights and expected results with respect to these programs may be found in Infrastructure Canada's *Report on Plans and Priorities*.[13]

- **Targeted and temporary support**
  The Agency provides ad-hoc support for the economic activity of Quebec communities in order to stabilize or strengthen their economies. Thus, the Agency may be called upon to support communities experiencing an economic shock, a natural disaster or situations with an unwanted impact on their economic development, or communities facing major economic development challenges or with development opportunities offering a positive impact on the regions. In those cases, the Agency may intervene through dedicated temporary additional funding from the Government of Canada or specific funds allocated by the Agency.

[13] Refer to the ***Infrastructure Canada Website***.

In 2012-13, the Agency will continue implementing various ad-hoc initiatives:

Temporary Initiative for the Strengthening of Quebec's Forest Economies (TISQFE)

The Agency will continue to support until March 31, 2013, projects that will help reinforce and increase economic activity in areas affected by the forestry crisis, in order to create and maintain employment there, and will pay special attention to SMEs established in those communities so as to enhance their performance. This initiative is in line with one of the Agency's priorities: *Continue strengthening community economies.*

Linguistic Duality Economic Development Initiative

Through the *Economic Development Initiative* devoted to official language minority communities in Quebec, the Agency will continue over the next year its support for projects from English-speaking communities. This Canada-wide initiative terminates on March 31, 2013.

Support Initiative for International Cruise Development Along the St. Lawrence and Saguenay Rivers

The Agency will continue until March 31, 2013, its support for international cruise development, in order to contribute to strengthening the economies of various regions and communities.

Contribution Program to Fund Construction of a Gas Pipeline Between Vallée-Jonction and Thetford Mines

The Agency will be implementing until 2014 the *Contribution Program to Fund Construction of a Gas Pipeline Between Vallée-Jonction and Thetford Mines*, in order to provide the Thetford Mines area with access to natural gas.

Montreal Planetarium Project

The Agency will continue until December 31, 2013, its support for the project to relocate the Montreal Planetarium and upgrade its facilities. The project is being carried out in partnership with the Quebec government, the City of Montreal and Rio Tinto Alcan.

2.5 Program activity: *Internal services*

Description of program activity

This program activity supports the Agency's strategic outcome (*Quebec's regions have a growing economy*). *Internal services* are groups of related activities and resources that are administered to meet program needs and other general corporate obligations. They include only those activities and resources that apply across an organization, and not those provided specifically to a program. They lead to higher efficiency in program delivery, thus contributing to quality services for Canadians.

For the Agency, these groups are:

- *Governance and management support,* comprising the following services:
  - Management and monitoring[14]
  - Communications
  - Legal services
- *Resource management services,* comprising the following services:
  - Human resources management
  - Financial management
  - Information management
  - Information technology
  - Other administrative services
- *Property management services,* comprising the following services:
  - Real property
  - Materiel
  - Acquisitions

Human resources (FTE) and planned spending *(in thousands of dollars)*

2012-13		2013-14		2014-15	
FTE	Planned spending	FTE	Planned spending	FTE	Planned spending
121	*19,100*	117	*18,756*	114	*18,756*

Planning highlights

While the Agency's fourth priority is associated with all program activities, it particularly involves *Internal services. Continuing implementation of the transformation and modernization initiative* involves implementation of the Agency's new program in line with the new vision, enhancement and modernization of client services, and workplace modernization.

[14] Management and monitoring services notably include internal audit, evaluation, planning and program design.

- **Contribution to the Federal Sustainable Development Strategy**
  The Agency is a participant in the Federal Sustainable Development Strategy and contributes, through the *Internal services* program activity, to attaining targets associated with the greening of government operations, particularly with respect to the following elements:
  - Surplus electronic and electrical equipment
  - Printing unit reduction
  - Paper use
  - Green meetings
  - Green procurement

For instance, access to a telepresence system and circulation of the Agency's in-house newsletter in exclusively electronic format are projects currently under way in connection with the transformation and modernization initiative that will contribute in particular to reducing the Agency's environmental footprint.

Further information on Agency activities aimed at shrinking the environmental footprint is available in the table in Section 3 of the RPP entitled "Greening of government operations."

3 SUPPLEMENTARY INFORMATION

3.1 Main financial data

The detailed financial statements can be found on the Agency's Website at:

www.dec-ced.gc.ca/eng/publications/agency/rpp.html

3.2 Future-oriented financial statements

Future-oriented summary of financial operations For the period ending March 31, 2013 *(thousands of dollars)*	**Percentage change**	**Future-oriented 2012-13**	**Future-oriented 2011-12**
Expenditures			
Total expenditures	6.4%	245,835	230,953
Revenues			
Total revenues	2.0%	805	790
Net cost of operations	**6.5%**	**245,030**	**230,163**

Condensed future-oriented statement of financial position For the period ending March 31, 2013 *(thousands of dollars)*	**Percentage change**	**Future-oriented 2012-13**	**Future-oriented 2011-12**
Assets			
Total assets	(6.3%)	310,514	331,459
Liabilities			
Total liabilities	(43.3%)	53,943	95,278
Equity	8.6%	256,571	236,181
Total	**(6.3%)**	**310,514**	**331,459**

3.3 List of supplementary tables

All electronic supplementary information tables in the *Report on Plans and Priorities 2012-13* are available on the Treasury Board of Canada Secretariat's Website at:

www.tbs-sct.gc.ca/rpp/2012-2013/info/info-eng.asp

Table: Details of Transfer Payment Programs (TPP)

Table: Greening of government operations

Table: Horizontal initiative

Table: Upcoming internal audits and evaluations (next three fiscal years)

Table: Sources of non-respendable revenue

4 OTHER ITEMS OF INTEREST

Agency programs:
www.dec-ced.gc.ca/eng/programs/index.html

Agency organizational chart:
www.dec-ced.gc.ca/eng/agency/chart/organizational.html

Business offices:
www.dec-ced.gc.ca/eng/business-offices/business.html

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